



STATEMENT REGARDING
Senate Bill 1140: AAC the Department of Public Utility Control's
Jurisdiction
Energy & Technology Committee
March 10th, 2011

The MetroHartford Alliance is the Region's economic development leader and Hartford's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, institutions of higher education, and regional municipalities. All of these investors share a common interest in ensuring a fiscal and regulatory environment that will enable Connecticut to compete aggressively and successfully for jobs, capital, and talent.

During this time of continuing fiscal challenges that is manifested in an unemployment rate of almost 9.0% and an underemployment rate in excess of 20%, we especially urge the legislature to make Connecticut's economic recovery its top and only priority. Consider the facts:

- Currently, Connecticut has the highest deficit per capita in the entire nation compounded by the highest bonded indebtedness.
- We are facing deficits in the next biennium that exceed \$7B, while unfunded public retiree pensions and healthcare hover around \$40B.

Given these enormous obstacles to growth, any legislation that is irrelevant to balancing the state budget should be postponed until the state is on solid financial ground. As importantly, any legislation that makes our state *less* competitive should be rejected on arrival by anyone who truly wishes to retain and create jobs in Connecticut.

The bill before you today, Senate Bill 1140, is such a piece of legislation and, moreover, runs contrary to the fundamental principal of utility regulation established by the Supreme Court in 1923. This principle dictates that the States may regulate rates and service, but they do not own the utilities' property and cannot act in the place of company managers. Connecticut law has been consistent with this principal, protecting customer interests through the Department of Public Utility Control's (DPUC) jurisdiction over rates and quality of service, while holding companies are given the right to govern themselves, including management decisions, personnel changes, buying and selling assets, issuing stock and other standard business transactions. To change this practice sets a dangerous precedent and sends a message to potential corporate partners that Connecticut's business environment is hostile to growth and investment.

Senate Bill 1140 sends such a message by proposing to expand the DPUC's jurisdiction by extending it to matters of corporate governance and shareholder rights, overseeing actions that are made in the ordinary course of business. Such a proposal goes well beyond the necessary role of the DPUC to protect customers interests in rates and service quality and conveys a hostile signal to capital markets and others interested in investing in Connecticut businesses.

It is critical that we all support the Governor's proclamation that Connecticut is "open for business" so that we can retain our current roster of jobs, restore the over 100,000 jobs that have been lost during the past three years, and ignite our economy for sustainable job growth over the balance of this decade. For all of these reasons, we ask you to reject Senate Bill 1140.